

Hollywood
Property Owners
Alliance

Frank Stephan
President
Clarett West
Development

Lynda Bybee
Vice President
Metro

Monica Yamada
Treasurer
CIM Group, Inc.

Don Mushin
Secretary
Hollywood Toyota

Greg Beck
Champion Real Estate

Leslie Blumberg
The Fonda

Chris Bonbright
Avison Young

Charlie Colletta
HEI, LLC.

Joseph D'Amore
CRC Entertainment Inc.

Michael Gargano
Argent Ventures, LLC

David Green
Nederlander
West Coast

John Lyons
Avalon Hollywood

Jan Martin
AMDA

Galo Medina
Comprehensive
Financial Services

Drew Planting
GPI

Mark Stephenson
Hollywood United
Methodist Church

John Tronson
Avison Young

Kerry Morrison
Executive Director



Hollywood Property Owners Alliance
1680 Vine Street, Suite 414
Hollywood, CA 90028
phone 323 463 6767 fax 323 463 4229

November 4, 2013

TO: Miranda Paster, Office of the City Clerk

FROM: Kerry Morrison, Executive Director, HPOA

SUBJECT: Third Quarter Report: July 1 through September 30, 2013

As is required in our Agreement with the City of Los Angeles, I am submitting our Third Quarter Report to summarize key activities of the Hollywood Entertainment District.

I. Operational Issues

- The Nominating Committee was appointed by President Frank Stephan in July. It consists of David Green, Lynda Bybee and Beth Marlis. Applications were due on July 25. The Committee announced a slate of five directors in early August. The election will be held in November.
 - David Benavente, Shine America (new)
 - Mark Echeverria, Musso & Frank's (new)
 - Galo Medina, Comprehensive Financial Services (returning)
 - John Lyons, Avalon (returning)
 - Michael Gargano, Millennium Argent (returning)
- The Annual All Property Owners meeting was held in conjunction with the Sunset & Vine BID on August 6 at the Loew's Hotel in Hollywood. Speakers at this meeting included Councilmember Mitch O'Farrell; State Senator Kevin DeLeon; Captain Bea Girmala and Beth Marlis of Musician's Institute representing Hollywood U. A panel discussion of developers was moderated by Kerry Morrison and included representatives from Clarett, CIM and Kilroy.
- Kerry Morrison introduced to the board a proposal to revamp the 401k retirement program to encourage staff savings for retirement and increase the benefit from the Association. This will be further fleshed out in preparation for the budget discussion in November.
- A draft work-plan for 2013-14 was presented to the board for their review at the August 22, 2013 meeting.

- At the September 19, 2013 meeting, staff brought to the attention of the board the continuing situation of LAUSD only paying a portion of the assessment assigned to their parcels. A letter is going to be drafted to CDA to encourage the state association representing BIDs to look into this further and to see if other municipalities are experiencing something similar.
- An assessment refund was made to Clarett West Development because of street vacations associated with the development. No longer was the same amount of front footage to be levied against that parcel (because the streets are gone) and there needed to be a retroactive refund due to overpayment the prior year. This amounted to \$56K.
- The staff returned to their office headquarters in the Taft Building after Labor Day. The building owner had been working on seismic strengthening over the course of the summer.

II. Security

- With the arrival of new city leadership in city hall and in light of some violent incidents in the BID during the early part of the summer, representatives of the BID and the Chamber met with city officials to lay out seven items that were considered priorities for Hollywood in the coming year. A meeting was held with City Attorney Mike Feuer in early July, and a subsequent meeting was held with Councilmember Mitch O'Farrell, and staff in Mayor Garcetti's office on August 6. The topics discussed included:
 - a. Review definition of "Aggressive Panhandling" in MC Sections 41.18 and 41.59 to determine if language might be tightened up to provide a better tool for law enforcement officers. Compare with definitions used by other cities.
 - b. Issue "Stay Away" orders to repeat offenders on the Boulevard.
 - c. Enforce City Code prohibition on selling on the public sidewalks
 - Do not allow tour operators to sell on Hollywood Boulevard.
 - Do not allow the CD vendors to sell on Hollywood Boulevard.
 - d. Adopt a "No Mask" (or other actions to conceal identities) ordinance for the block in front of Hollywood & Highland because of the threat of terrorism.
 - e. Require all Characters/street performers to "register" with the City.
 - f. Limit the number of Characters allowed at any one time in the block from Highland Avenue to Orange Ave. on the north side. Determine the number that can be reasonably accommodated and hold a lottery to determine who can be there. Details to be worked out. Perhaps use HED Security, Andrews International, to conduct the lottery.
 - g. Seek a daily, dedicated LAPD footbeat in highly-trafficked tourist zone.
- The staff began to research options available to upgrade the video surveillance system which is currently used by LAPD. The system is about 10 years old, and has outlived its useful life.
- At the August 22, 2013 meeting of the Board, the board authorized an expenditure, up to \$80,000, to fund a 14-week demonstration project of a night-time security presence. The patrol will work two nights a week (Friday and Saturday) from 9 p.m. to 3 a.m.. There will be 8 officers, in four teams. The program is intended to start late September/early October. In September, it

was determined that six of the officers could be unarmed, and the cost of the pilot was reduced to about \$46,000.

- BID staff testified at a August 21 hearing of the Public Works committee on the need to approve the ordinance that will prohibit tour sales on the public right-of-way. The City Council approved this ordinance on September 5, 2013 and it will go into effect 30 days after the Mayor signs the ordinance.
- During September, the council office arranged for a meeting between several of the street characters, the BID and Carol Sobel, the ACLU attorney who represented the characters in the lawsuit against the city in 2010. It was a fruitful meeting which resulted in a conversation about the types of behaviors that could be subject to enforcement.
- Kerry Morrison began participating in meetings organized by the Home for Good campaign to create a “coordinated entry” system for individuals who are homeless in LA County. Hollywood will be one of seven pilot regions to create a Coordinate Entry system over a 100-day period starting in November.
- The following are the third quarter security stats for the Hollywood Entertainment District:

Arrests	Radio Calls	Business Contacts	Citizen Contacts	Homeless Referrals
175 for quarter	758 for quarter	1,955 for quarter	3,883 for quarter	142 for quarter
586 YTD	2,533 YTD	5,851 YTD	5,851 YTD	427 YTD

III. Streetscape

- Continued negotiations are underway with property stakeholders in the alley at the NE corner of Cahuenga and Hollywood. Alley maintenance has been suspended, upon the direction of the Board, because of the intensity of need in that alley. Staff is trying to bring the owners together to agree on the installation of a gate to keep people away from the alley who engage in dumping and dumpster diving.
- Staff participated in a mediation session in the Carr lawsuit which involves a claim made by a tourist who tripped over a tree well in 2011. A trial date has been set for January 9, 2014.
- Negotiations are underway with the city of Los Angeles, who controls retail space in the Cherokee parking garage. The board authorized a monthly lease offer of \$1,000 a month in August to start the process, and upped that offer to \$1250 in September. The space at 1718 Cherokee would be used by the BID maintenance team.

- It was discovered in August that CRA is no longer paying for the utilities on the LaBrea median. The cost is approximately \$700 a month and the Streetscape Committee is exploring options – perhaps installation of drought-tolerant plants.
- The Streetscape and Planning Committee met on September 10.

IV. Marketing and Communications

- Work commenced with the PR team, Haines & Co, to develop a strategic blueprint for the media relations program. A planning session was held in July at WeWork in which board members Chris Bonbright and Jan Martin participated. A second meeting, to discuss “big ideas” was held on September 11 at AMDA.
- During July, Haines & Co was instrumental in guiding the BID’s messaging in responding to an increase in media requests owing to the uptick in violent incidents in the District.
- A Blogger’s Tour, organized by Haines & co, was held on Saturday, September 21. Five bloggers/writers were introduced to a variety of Hollywood offerings including the W Hotel, Solo Tapas, a condo in the Equitable Building, Lost & Found retail shops, Capitol Records, the Avalon, Cleo/Redbury, EaCa Alley, Iguana and St. Felix.
- The BID participated in a meeting at the Chamber on August 1 intended to sync communications and messaging coming out of Hollywood in light of some of the crime-related events of the summer.
- The Visitors Guide is underway for 2014, and it may be converted also into a smart phone app this year.

V. Other

- A meeting was held with the property owners at the NE corner of Las Palmas and Hollywood Blvd, to engage the owners in dialogue with the BID about how to control some of the crime and crowd-control issues that emanate from that corner at night. This is one of the hot spots in the BID, and the board is committed to bringing property owners into a conversation about how to bring this under control.
- A meeting was held with property managers representing residential buildings in both the Hollywood and Sunset BIDs on August 20. It was hosted by Rubix. This proved to be a good networking session to share information about security concerns, tenant trends and the services provided by the BID.
- Legal papers were served to HPOA, and turned over the Andrews International, stemming from an arrest in Aug 2011 for illegal street sales (counterfeit watches). The plaintiff is suing

for racial profiling, assault and emotional turmoil. It is expected as the security vendor, Andrews will handle this matter.

- Sarah Besley, chair of the LA BID Consortium, was instrumental in organizing the BID Day at City Hall on September 26, 2013. It was a successful day.
- A reception was organized to congratulate Captain Bea Girmala who was promoted to Commander. The reception was held on September 25 at the Hollywood Museum.
- Kerry Morrison participated as a panelist at the ABA convention in San Francisco on August 8. The topic of the panel addressed how communities are handling individuals who suffer from severe mental illness.

Hollywood Property Owners Alliance

Annual Limits & Year-To-Date Totals Quarter Ending September 30, 2013

BUDGET LINE ITEM	ANNUAL BUDGET	REVENUE TO DATE	AMOUNT THIS QTR	AMOUNT YEAR-TO-DATE	PROJECTED SPENDING FOR REMAINDER OF THE YEAR	EXPLANATION OF VARIANCE
Assessment Income	3,518,182	3,220,405				Includes \$56,701 assessment refund expense per City of L.A.
City Fees	35,414		-	35,414	-	
Contingency	51,048		378	997	50,051	
Administration	207,990		59,426	145,336	62,654	
Security	1,650,000		405,792	1,124,536	525,464	Quarterly report is on the cash basis. Additional expenses will be accrued at year end.
Maintenance	1,097,016		258,903	826,496	270,520	Quarterly report is on the cash basis. Additional expenses will be accrued at year end.
Personnel	384,426		98,433	284,333	100,093	
ED&C/Marketing	120,000		25,162	51,526	68,474	
TOTAL	3,545,894	3,220,405	848,094	2,468,636	1,077,258	

12,762.00

51,997.50

412,500.00

274,254.00

96,106.50

30,000.00

886,473.50

Other income (not included above):

DWP Grant	
Prior year(s) assessment income received	33,326.65
Assessment penalties income	11,956.04
Interest-LA city	5,620.75
Interest-other	588.74
Total other income as of September 30, 2013	<u>51,492.18</u>